IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE

GRUBB & ELLIS|CENTENNIAL, INC., Plaintiff,	)	
v.	)	No. 3:03-0016
GAEDEKE HOLDINGS, LTD. and GAEDEKE LANDERS, L.L.C., Defendants.	)	Judge Campbell Magistrate Griffin

PLAINTIFF'S REPLY MEMORANDUM REGARDING AMOUNT OF JUDGMENT TO BE AWARDED TO PLAINTIFF

I. THE SECOND AFFIDAVIT OF SABINNE G. STENER IS IRRELEVANT AND INADMISSIBLE

Defendants submitted the Second Affidavit of Sabine Stener in support of their contentions that: Plaintiff is only entitled to a $10,000.00 *quantum meruit* commission; and Defendants never intended to pay a commission to Plaintiff on expansions and renewals of leases. The first contention is completely irrelevant because Plaintiff did not seek, and this Court did not award, a *quantum meruit* recovery. Instead, this Court enforced Plaintiff's contractual right to a commission. The amount of Plaintiff's commission is governed by the terms of the Leasing Brokerage Agreement between Plaintiff and Defendants (the "Listing"), so Ms. Stener's purported opinion regarding the amount of a *quantum meruit* recovery is completely irrelevant.

Defendants' purported interpretation of the Listing is inadmissible because the provisions of the Listing regarding Plaintiff's right to commissions on extensions and expansions of the Bridgestone lease (the "Lease") are clear and unequivocal. Accordingly, Ms. Stener's claims about her purported interpretation of the Listing are inadmissible. Defendants cannot contradict the clear and unambiguous provisions of the Listing with their purported interpretation or intention when they wrote those provisions.

The law imputes to contracting parties an intention corresponding to the reasonable meaning of their words and acts. Sutton v. First Nat'l Bank of Crossville, 620 S.W.2d 526, 530 (Tenn. Ct. App. 1981). Thus, we construe a contract's language using its ordinary and customary meaning. Evco Corp. v. Ross, 528 S.W.2d 20, 23 (Tenn. 1975).

We are not concerned with the parties' state of mind when they entered into the contract, *Petty v. Sloan*, 197 Tenn. 630, 642, 277 S.W.2d 355, 360-61 (1955), and, therefore, we do not consider their uncommunicated, subjective intentions. *Malone & Hyde Food Servs. v. Parson*, 642 S.W.2d 157, 159 (Tenn. Ct. App. 1982); *Ward v. Berry & assoc., Inc.*, 614 S.W.2d 372, 375 (Tenn. Ct. App. 1981). As noted by Judge Learned Hand:

> A contract is an obligation attached by mere force of law to certain acts of the parties, usually words, which ordinarily accompany and represent a known intent. If, however, it were proved by twenty bishops that either party, when he used the words, intended something else than the usual meaning which the law imposes on them, he would still be held, unless there was some mutual mistake, or something else of the sort.
> *Hotchkiss v. National City Bank of New York*, 200 F. 287, 293 (S.D.N.Y. 1911).

Bill Walker & Associates, Inc. v. Parrish, 770 S.W.2d 764, 770 (Tenn. App. 1989). [Emphasis added.]

Plaintiff's right to a commission on renewals or expansions on the Bridgestone lease is clear and unequivocal. This Court has already ruled that Plaintiff is entitled to a commission on the Bridgestone lease pursuant to paragraph 8.4 of the Listing, which says that the amount of Plaintiff's commission will be calculated in accordance with the commission schedule attached to the Listing. That commission schedule (Exhibit C to the Listing) entitles Plaintiff to commissions on the Bridgestone lease, and on future extensions of the lease or expansions of the leased premises. The ten-year limit on commissions in paragraph 8.1 of the Listing does not apply here, because that limit is only found in paragraph 8.1 of the Listing and Plaintiff earned this commission under paragraph 8.4 of the Listing, which does not contain a ten-year limit. In addition, Defendants waived the ten-year limit in writing in their commission agreements with Bridgestone's broker, Mr. Cherry.

Defendants' purported defense to Plaintiff's right to a commission on extensions and renewals of the Bridgestone lease is based on their familiar theme that the Listing does not mean what it says. This Court rejected that contention when it granted this summary judgment in favor of Plaintiff and when it denied Defendants' Motion To Alter Or Amend, because it is precluded by the clear terms of the Listing. This Court should reject that contention again for the same reasons.

II. PLAINTIFF IS ENTITLED TO THE REQUESTED ATTORNEYS' FEES AND EXPENSES

Defendants' contention that no attorneys' fees should be awarded to Plaintiff is frivolous. Paragraph 15.4 of the Listing, which was written by Defendants, makes an award of attorneys' fees to the prevailing party mandatory.

Defendants argue that this Court should not award any attorneys' fees for the period prior to the Sixth Circuit's opinion because Defendants claim that prior to that opinion they had a good faith defense. However, Defendants do not cite any authority whatsoever for that proposition. Defendants have not given this Court any legal basis for disregarding the mandatory attorneys' fee provision in paragraph 15.4 of the Listing. As discussed below, Tennessee courts can grant discretionary prejudgment interest in spite of the fact that a defendant has a good faith defense to a claim. If discretionary prejudgment interest can be awarded in spite of a defendant's claim that it had a good faith defense, then a mandatory contractual attorneys fee provision must be enforced in spite of a defendant's claim that it had a good faith defense.

Defendants' argument is also rebutted by Defendants' prior conduct in this case. Defendants sought an award of attorneys' fees after this Court initially granted summary judgment in their favor. If Defendants really believed that this Court could not award attorneys' fees to either party in this case because Tennessee law was unsettled with respect to the pivotal legal issue, Defendants would not have previously represented to the Court that they were entitled to recover attorneys' fees.

The fact that Defendants' attorneys have charged less than Plaintiff's attorneys in this case is not a valid defense to awarding the full amount requested by Plaintiff for attorneys' fees and expenses. The Altman Weil survey attached as Exhibit 1 to the Second Affidavit Of Gerald D. Neenan demonstrates that the hourly billing rates of Neal & Harwell, PLC are reasonable in light of the fees charged by seven other Nashville law firms. Defendants rely on the fact that a handful of lawyers in Nashville charge lower rates than Neal & Harwell to argue that Neal & Harwell's rates are excessive. This is clearly rebutted by the Altman Weil survey, which evaluated the hourly billing rates of over 200 Nashville lawyers.

Neal & Harwell evaluates its standard hourly billing rates annually and monitors a number of sources to ensure that its rates are reasonable. Plaintiff's affidavits clearly demonstrates that the hourly billing rates of the attorneys who worked on this case are reasonable compared to hourly billing rates of over 200 Nashville lawyers.

One fact that Defendants ignored in their Reply Brief is that Plaintiff's attorneys accepted this case on a one-third contingency fee. Defendants have never claimed that the one-third contingency fee is unreasonable in this case. Plaintiff is seeking recovery of over $460,000.00. If Plaintiff recovered a judgment of $460,000.00, Plaintiff's attorneys' fee would be over $150,000.00, plus approximately $6,000.00 in expenses. Thus, the attorneys' fee actually paid by Plaintiff under the one-third contingency fee, which Defendants have not claimed is unreasonable, could be far in excess of the total requested by Plaintiff based on Neal &

Harwell's hourly billing rates. Since that contingency fee is reasonable, a substantially lower attorneys' fee based on Neal & Harwell's standard hourly billing rates must also be reasonable.

The services performed and the amount of time spent by Plaintiff's attorneys providing those services are clearly warranted under the circumstances of this case. This case is extremely important to Plaintiff, which is seeking to recover a large commission. In addition, this case would have negatively impacted real estate brokers throughout Tennessee if it became a precedent for Defendants' position that a real estate broker cannot recover a commission to which the broker is entitled under a listing agreement unless the broker was also the procuring cause of the transaction. The Sixth Circuit's opinion in this case resolved that issue in favor of Plaintiff and all other Tennessee real estate brokers and rejected Defendants' attack on the enforceability of commission provisions in listing agreements. The high stakes in this case clearly justified the concerted effort by Plaintiff's counsel to obtain a favorable outcome for the Plaintiff and all other Tennessee real estate brokers.

III. PLAINTIFF IS ENTITLED TO RECOVER PREJUDGMENT INTEREST

Defendants' reliance upon Hudson v. Rhoten, 863 S.W.2d 734 (Tenn. App. 1993), is misplaced. Defendants claimed in their Reply brief that Hudson held that T.C.A. § 47-14-109(b) (which requires an award of prejudgment interest in cases involving liquidated and settled accounts) does not apply to commissions owed to a real estate agent. This misrepresented the holding of Hudson. Nowhere in that opinion is there a holding that the prejudgment interest statute does not apply to real estate commissions. Instead, the court held in Hudson that, under the particular facts of that case, that claim was not "settled" because there was a dispute regarding how to calculate the commission split between an agent and his broker. The Court held in Hudson that,

> In the case at bar, as pointed out in Mr. Rhoten's brief, the account was not settled, because Mr. Hudson sought a judgment in the alternative either for $ 41,556.50 or $ 16,250, depending on how his commission should be calculated. 863 S.W.2d at 736 [emphasis added].

The prior opinion in the Hudson case, Hudson v. Rhoten, 1991 Tenn. App. LEXIS 212 App. No. 01-A-01-9010-CH-00368 (Tenn. App. April 5, 1991) (copy attached), further explains why the Court of Appeals concluded that the claim in Hudson was not a liquidated and settled account. Mr. Hudson was an affiliate broker and the defendant was his real estate broker. Mr. Hudson's contract said that his commission split would be 75% of some commissions and 50% of other commissions. The Court held that the "primary" question in the case was whether a particular sale was within the 75% category or the 50% category. Mr. Hudson also claimed that his commission agreement had been verbally modified, creating a third option for how to calculate Mr. Hudson's share of the commission.

Hudson cannot possibly support the proposition for which it was cited by Defendants for two reasons: (1) Hudson is irrelevant to this case, because it was a dispute between an affiliate broker and his broker regarding division of a commission that had already been earned and collected, rather than a suit by broker to collect a commission from the broker's client; and (2) Hudson merely said that the commission could not be a "settled" account because the primary issue in that case was how to calculate the commission. In the case at bar, there is no dispute whatsoever regarding how to calculate the amount of Plaintiff's commission, since Defendants calculated the amount of Plaintiff's commission and then paid it to themselves, and Plaintiff accepts Defendants' calculations. This case falls clearly within T.C.A. § 47-14-109(b), because the commission is a liquidated and settled account, the amount of which can be calculated to the penny based on the Listing, the Lease, and Defendants' commission split with Bridgestone's broker, which Plaintiff accepts.

The interest rates set pursuant to 28 U.S.C. § 1961 should not be applied to Plaintiff's contractual claim. Plaintiff's breach of contract claim arises under Tennessee law and the Tennessee statutes specifying the prejudgment interest rate for the Listing should be applied.

There is no merit to Defendants' contention that prejudgment interest should not accrue prior to the Sixth Circuit Court of Appeals' opinion in this case. Rybarczyk v. TRW, Inc., 235 F.3d 975 (6th Cir. 2000), does not stand for the proposition for which it is cited in Defendants' Reply brief. Defendants claim that Rybarczyk precludes using the maximum allowable interest rate to calculate prejudgment interest because it would have a punitive effect on the Defendants. In fact, Rybarczyk held just the opposite. In Rybarczyk, the Sixth Circuit held that prejudgment interest should be calculated at the higher of (1) the rates specified in 28 U.S.C. § 1961[1] or (2) the interest rates actually earned by defendants on the funds wrongfully withheld, stating that, "As we declared in an earlier case, "[t]o allow the Fund to retain the interest it earned on funds wrongfully withheld would be to approve of unjust enrichment." 235 F.3d at 986. Thus, Rybarczyk does not preclude using the maximum applicable interest rate. On the contrary, Rybarczyk authorizes using an even higher interest rate. Here, Defendants misappropriated Plaintiff's commission by paying it to themselves, so it is appropriate under Rybarczyk for Defendants to pay prejudgment interest at the higher of the interest they earned on those funds or the maximum prejudgment interest rate applicable to the Listing.

The fact that this case has already gone the Sixth Circuit Court of appeals once is no defense to a mandatory or discretionary award of prejudgment interest to Plaintiff. In Performance Systems, Inc. v. First American National Bank, 554 S.W.2d 616 (Tenn. 1977), the Tennessee Supreme Court rejected the notion that a disputed legal issue, which resulted in a reversal by an appellate court and a remand to the trial court, precluded an award of prejudgment interest to the plaintiff under either the mandatory or discretionary prejudgment interest statutes. The Supreme Court held that,

---

[1] That claim arose under ERISA so it was appropriate to use the federal interest statute to calculate prejudgment interest, unlike the state law contract claim in this case, which is governed by Tennessee prejudgment interest statutes.

> Although it is true that this Court, on the prior appeal, determined the liability of the defendant-assignee by resolving a legal issue which was thought to be a question of first impression in this jurisdiction, that does not conclude the matter. Although the defendant-assigneee may have had grounds for believing that it had a legal defense to the claim for rent, it is hard to avoid the conclusion that it was trying to use the plaintiffs' property without paying for it. 554 S.W.2d at 619.

In Johnson v. Tennessee Farmers Mutual Insurance Company, 556 S.W.2d 750 (Tenn. 1977), the Tennessee Supreme Court affirmed an award of prejudgment interest even though the Court found that, "It is apparent that there was a genuine dispute between the parties in the case as to the fair value of the vehicle on the day of the theft." 556 S.W.2d at 752 [emphasis added]. In Myint v. Allstate Ins. Co., 970 S.W.2d 920 (Tenn. 1998), the Tennessee Supreme Court rejected the contention that prejudgment interest should not be awarded if the defendant contested liability in good faith, reasoning that,

> Further, it is safe to say that, at trial, defendants usually can articulate at least one good reason for disputing the existence of the obligation, for were it otherwise, defendants would rarely survive summary judgment. Finally, the focus on whether the defendant had a reasonable defense ignores the principle that prejudgment interest is not a penalty imposed on the defendant for indefensible conduct. 970 S.W.2d at 927.

In Myint, the Supreme Court affirmed an award of prejudgment interest against an insurance company for failing to pay an insurance claim even though the Supreme Court found that, ". . . Allstate's denial of the claim was certainly reasonable" and that the plaintiff's ". . . right of recovery may have been reasonably disputed . . . ." 970 S.W.2d at 928.

CONCLUSION

For the foregoing reasons: Plaintiff is entitled to its full commission because this is a contract claim governed by the Listing, rather than a *quantum meruit* claim; Plaintiff is entitled to the full amount of prejudgment interest requested, under both the mandatory and discretionary Tennessee prejudgment interest statutes; Plaintiff is entitled to the full amount requested for attorneys fees and costs; and Plaintiff is entitled to declaratory judgment that Plaintiff will be entitled to additional commissions pursuant to the Listing if the Bridgestone lease is renewed or expanded.

Respectfully submitted,

NEAL & HARWELL, PLC

By: s/ Gerald D. Neenan
Gerald D. Neenan, No. 6710

One Nashville Place, Suite 2000
150 Fourth Avenue North
Nashville, TN 37219
(615) 244-1713

Counsel for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served via United States First Class Mail, postage prepaid, on this the 11th day of October, 2005 on the following:

( ) Hand	Todd E. Panther, Esq.
( ) Mail	Tune, Entrekin & White, P.C.
( ) Fax	AmSouth Center, Suite 1700
( ) Fed. Ex.	315 Deaderick Street
( ) E-Mail	Nashville, TN 37238
(X) EFS	tpanther@tewlawfirm.com

s/ Gerald D. Neenan

Document 1 of 1

Source:
Michie's Tennessee Primary Law/Tennessee Judicial Decisions (1791 - 1995)/COURT OF APPEALS OF TENNESSEE/1991/1991 Tenn. App. LEXIS 212::Hudson v Rhoten::April 5, 1991

GARY M. HUDSON, Plaintiff/Appellant, v. CHARLES E. RHOTEN, d/b/a RHOTEN REALTY, Defendant/Appellee
Court of Appeals of Tennessee, Middle Section, at Nashville
1991 Tenn. App. LEXIS 212
Appeal No. 01-A-01-9010-CH-00368
April 5, 1991, Filed

Editorial Information: Prior History

Appealed from the Chancery Court of Davidson County, at Nashville, Tennessee; No. 88-2859-II; The Honorable James M. Swiggart, sitting by designation.

Disposition
AFFIRMED IN PART; REVERSED IN PART; AND REMANDED

Counsel MARTIN C. GINER, Nashville, Tennessee, Attorney for Plaintiff/Appellant.
HARLAN DODSON, III, TEA HICKMAN, DODSON, PARKER & BEHM, Nashville, Tennessee, Attorneys for Defendant/Appellee.

Judges: Ben H. Cantrell, Judge. Henry F. Todd, Presiding Judge, William C. Koch, Jr., Judge, concur.

Opinion

Opinion by: CANTRELL

OPINION

This is a dispute over the amount of commission owed to the plaintiff, a real estate agent, for his work in handling the sale of certain property. The court below found insufficient proof that the defendant, a real estate broker, was obligated to pay the plaintiff 75% of the commission received from the sale of that property. The court also determined that there was no effective oral modification of the parties' written agreement as to the division of commissions. While we agree that there is insufficient evidence of an effective oral modification, we conclude that the written agreement clearly entitles the plaintiff to the commission he claims for the transactions listed in the agreement.

The plaintiff, Gary Hudson, joined Rhoten Realty Company as an independent contractor in December 1986. In May 1987, Hudson and Rhoten signed a handwritten document entitled "Memo to File" which sets forth their agreement as to how commissions would be paid. Under the first paragraph of the agreement, commissions would be split 75% to Hudson and 25% to the company. The second paragraph states that on company listings, 50% will go to the company and the remaining 50% will be split as provided earlier -- 75% to Hudson and 25% to the company. The document also states:

> As of the above date (May 4, 1987), there are two Hudson contracts pending:
>
> 1. Martz to Givens $ 2,900,000; $ 230,000 option.
>
> 2. Abe Goren, trustee to Ron Young, trustee $ 986,500

The primary question is whether the Martz to Givens contract falls within the provisions of the first or second paragraph of the agreement. The plaintiff alleges that he initiated discussions with Mrs. Martz in September 1986 regarding the sale of her property, and that he was actively seeking a purchaser for the property when he joined the defendant's firm three months later. When Hudson closed the sale of the Martz property in September 1987, the company was paid a $ 65,000.00 commission of which the plaintiff was to receive 75%. After the closing, Rhoten approached Hudson and asked him to modify their existing agreement to an even 50%/50% split. As an inducement to this modification, Rhoten orally agreed to a 50%/50% commission split on another company listing known as the "Mitchell contract" when it closed.

The plaintiff asserts that he agreed to the modification and was paid $ 32,500.00 on the Martz contract. When the Mitchell contract closed, however, Rhoten refused to pay Hudson anything and denied the existence of their modified agreement. The plaintiff seeks to recover $ 41,556.50, representing 50% of the commission received on the Mitchell contract. Alternatively, the complaint requests that should the court determine there was no effective oral modification of the original agreement, that plaintiff be awarded the remaining 25% commission due under the agreement from the Martz contract.

The defendant contends that the Martz contract was a company listing and that Hudson merely secured the buyer. The defendant also denies any oral agreement with Hudson to split the commission from the Mitchell contract.

The trial court found that there was insufficient proof in the record that the plaintiff brought the Martz listing to the defendant's company, and that the "Memo to File" is unclear on this point. The court found it just as likely that the pending Hudson contracts listed in the agreement merely refers to any deal that the plaintiff was involved with. Thus, it was determined that the plaintiff was not entitled to a 75% commission on the Martz contract.

The court also found that the plaintiff failed to establish the existence of an oral modification, since this would require a finding that he was entitled to 75% of the Martz commission. The court concluded that there was no indication that Hudson performed enough work on the Mitchell contract to be entitled to compensation.

The primary issue is whether the parties' written agreement clearly reflects their intention as to how the commission from the Martz contract would be divided. If so, we must give effect to that purpose and intent. *Bob Pearsall Motors, Inc. v. Regal Chrysler-Plymouth, Inc.*, 521 S.W.2d 578 (Tenn. 1975).

If the Martz contract is a company listing, then the plaintiff would only be entitled to a 37.5% commission for acting as selling agent. But the fact that Hudson was paid 50% commission on that transaction clearly indicates that it was not a company listing. Moreover, the written agreement lists the Martz transaction as a "pending Hudson contract", and this further negates any possible inference that it was a company listing. The wording of the written agreement clearly indicates the parties' intention that the pending Hudson contracts be treated under the first paragraph of the agreement, and that the plaintiff receive a 75% commission on those transactions. Any other interpretation would place a strained construction on the language of that agreement for the sole purpose of finding an ambiguity, where none exists. *Farmers-Peoples Bank v. Clemmer*, 519 S.W.2d 801 (Tenn. 1975). Thus, the plaintiff was entitled to be paid $ 48,750.00, or 75% of the commission received on the Martz contract.

We also conclude that the plaintiff has failed to prove the existence of an oral modification so as to entitle him to 50% of the commission received on the Mitchell contract. The effective modification of an existing contract requires two elements: the mutual assent of both parties and additional consideration. *V.L. Nicholson Co. v. Transcon Inv. and Financial Ltd., Inc.*, 595 S.W.2d 474 (Tenn. 1980); *Dunlop Tire & Rubber Corp. v. Service Mdse. Co., Inc.*, 667 S.W.2d 754 (Tenn. Ct. App. 1983).

In the present case, the element of consideration was established because Hudson agreed to take a smaller commission on the Martz contract in exchange for 50% of the commissions received from the Mitchell contract. *See Brown Oil, Inc., v. Johnson*, 689 S.W.2d 149 (Tenn. 1985). We cannot say, however, that the evidence preponderates in favor of finding that the parties had a sufficient mutual agreement to modify the written contract. The only evidence offered on this point was Hudson's testimony that both parties assented to the alleged modification, and Rhoten's testimony to the contrary. Any conflict in testimony requiring a determination of credibility rests in the first instance with the trial court and will be given great weight on appeal, unless other real evidence compels a contrary conclusion. *Haverlah v. Memphis Aviation, Inc.*, 674 S.W.2d 297 (Tenn. Ct. App. 1984).

The plaintiff also relies on theories of estoppel, implied contract and unjust enrichment, arguing that the defendant cannot accept the benefit of Hudson's services and refuse to split the commission from the Mitchell contract. But again, the chancellor specifically found that the plaintiff had not performed enough work on the Mitchell contract to be entitled to compensation. We cannot say the evidence preponderates against this finding.

The decision of the Davidson County Chancery Court is affirmed in part and reversed in part, and the cause is remanded for further proceedings consistent with this opinion. Costs of appeal are taxed to the appellee.

© 2004 Matthew Bender & Company, Inc., a member of the LexisNexis Group. All rights reserved. Use of this product is subject to the restrictions and terms and conditions of the Matthew Bender Master Agreement.

EXHIBIT 1

THE SURVEY OF LAW FIRM ECONOMICS, 2005 EDITION

Metropolitan Area Report
for

Nashville, TN

Conducted by
ALTMAN WEIL®, INC.
CONSULTANTS TO THE LEGAL PROFESSION

Published by
ALTMAN WEIL® PUBLICATIONS, INC.
Two Campus Boulevard, Suite 200
Newtown Square, PA 19073
(888) 782-7297, toll free in the U.S.
(610) 886-2025

Visit our website: http://www.altmanweil.com
Shop our on-line store: https://store.altmanweil.com

Authorization to photocopy information contained in this survey for the internal or personal use of the purchaser, or the internal or personal use of specific individuals in the purchaser's organization, or for use in court proceedings and arbitrations, is granted by Altman Weil Publications, Inc., provided that the source and Altman Weil Publications, Inc., copyright is noted on the reproduction. Copying for purposes other than internal or personal reference or court/arbitration proceedings requires the express permission of Altman Weil Publications, Inc. For permission, contact Dan DiLucchio at Altman Weil Publications, Inc., Two Campus Boulevard, Suite 200, Newtown Square, PA 19073.

COPYRIGHT © 2005, ALTMAN WEIL® PUBLICATIONS, INC., NEWTOWN SQUARE, PA 19073

METROPOLITAN AREA--Nashville, TN
INDIVIDUAL STATUS CODES
STANDARD HOURLY BILLING RATES
As of January 1, 2005

Metro Analysis	Number of Offices	RATE					
		Number of Lawyers	Average $	Lower Quartile $	Median $	Upper Quartile $	Ninth Decile $
Equity Partner/Shareholder	8	114	316	280	310	340	388
Non-Equity Partner	7	28	270	235	253	287	353
Associate Lawyer	8	88	187	165	180	210	230

METROPOLITAN AREA--Nashville, TN
YEAR ADMITTED TO BAR
STANDARD HOURLY BILLING RATES
As of January 1, 2005

Metro Analysis	Number of Offices	RATE					
		Number of Lawyers	Average $	Lower Quartile $	Median $	Upper Quartile $	Ninth Decile $
1972 - 1976	7	19	345	335	340	350	400
1977 - 1981	5	31	327	300	325	360	394
1982 - 1986	7	30	299	284	300	315	330
1987 - 1991	6	25	270	248	265	293	344
1992 - 1996	7	35	245	230	250	260	287
1997 - 2001	8	57	196	175	190	220	236
2002	5	9	173	--	--	--	--
2004	5	9	151	--	--	--	--

METROPOLITAN AREA--Nashville, TN
YEARS OF LEGAL EXPERIENCE
STANDARD HOURLY BILLING RATES
As of January 1, 2005

Metro Analysis	Number of Offices	RATE					
		Number of Lawyers	Average $	Lower Quartile $	Median $	Upper Quartile $	Ninth Decile $
Under 2 Years	5	16	157	--	155	--	--
2 or 3 Years	6	21	171	163	175	180	190
4 or 5 Years	8	32	195	176	193	210	234
6 or 7 Years	6	13	225	--	225	--	--
8 to 10 Years	6	25	238	215	235	250	283
11 to 15 Years	6	23	266	250	260	275	318
16 to 20 Years	6	32	286	275	288	300	326
21 to 30 Years	8	50	327	304	325	350	390
31 or More Years	5	22	365	335	350	400	485

METROPOLITAN AREA--Nashville, TN
INDIVIDUAL STATUS CODES
ANNUAL CLIENT (BILLABLE) HOURS WORKED

Metro Analysis	Number of Offices	HOURS						
		Number of Lawyers	Average	Lower Quartile	Median	Upper Quartile	Ninth Decile
Equity Partner/Shareholder	8	109	1,771	1,530	1,734	1,978	2,249
Non-Equity Partner	6	21	1,637	1,314	1,650	1,929	2,111
Associate Lawyer	8	68	1,711	1,500	1,832	1,963	2,055

METROPOLITAN AREA--Nashville, TN
YEAR ADMITTED TO BAR--Partners/Shareholders (Equity/Non-Equity)
ANNUAL CLIENT (BILLABLE) HOURS WORKED

Metro Analysis	Number of Offices	HOURS					
		Number of Lawyers	Average	Lower Quartile	Median	Upper Quartile	Ninth Decile
1972 - 1976	7	19	1,768	1,630	1,740	1,942	2,651
1977 - 1981	5	26	1,845	1,576	1,800	2,014	2,438
1982 - 1986	7	29	1,723	1,465	1,702	1,831	2,416
1987 - 1991	6	22	1,692	1,382	1,732	1,966	2,275
1992 - 1996	7	26	1,751	1,508	1,797	2,025	2,200

METROPOLITAN AREA--Nashville, TN
YEAR ADMITTED TO BAR--Associate/Staff Lawyers
ANNUAL CLIENT (BILLABLE) HOURS WORKED

Metro Analysis	Number of Offices	HOURS					
		Number of Lawyers	Average	Lower Quartile	Median	Upper Quartile	Ninth Decile
1997 - 2001	8	48	1,705	1,500	1,822	1,965	2,033

METROPOLITAN AREA--Nashville, TN
INDIVIDUAL STATUS CODES
TOTAL COMPENSATION

Metro Analysis	Number of Offices	TOTAL COMPENSATION					
		Number of Lawyers	Average $	Lower Quartile $	Median $	Upper Quartile $	Ninth Decile $
Equity Partner/Shareholder	8	112	343,024	229,925	314,652	409,729	515,402
Non-Equity Partner	6	21	177,593	156,892	178,415	199,208	219,515
Associate Lawyer	7	66	117,999	109,208	114,563	126,959	140,100

METROPOLITAN AREA--Nashville, TN
YEAR ADMITTED TO BAR--Partners/Shareholders (Equity/Non-Equity)
TOTAL COMPENSATION

Metro Analysis	Number of Offices	TOTAL COMPENSATION					
		Number of Lawyers	Average $	Lower Quartile $	Median $	Upper Quartile $	Ninth Decile $
1972 - 1976	7	19	362,590	251,452	325,000	417,108	457,283
1977 - 1981	5	27	402,871	305,930	382,577	514,675	634,835
1982 - 1986	7	30	309,923	215,356	279,363	406,103	454,556
1987 - 1991	6	22	240,336	154,420	191,001	268,221	457,241
1992 - 1996	7	26	209,582	167,961	193,974	243,142	330,186

METROPOLITAN AREA--Nashville, TN
YEAR ADMITTED TO BAR--Associates/Staff Lawyers
TOTAL COMPENSATION

Metro Analysis	Number of Offices	TOTAL COMPENSATION					
		Number of Lawyers	Average $	Lower Quartile $	Median $	Upper Quartile $	Ninth Decile $
1997 - 2001	7	47	121,164	111,723	119,650	127,511	140,100

METROPOLITAN AREA--Nashville, TN
PARTICIPANTS BY SIZE OF FIRM
BILLING RATE ANALYSIS

		Number of Firms	Percent of Firms
Size of Firm	21 to 40 Lawyers	2	25.0%
	76 to 150 Lawyers	2	25.0%
	Over 150 Lawyers	4	50.0%
Total		8	100.0%

METROPOLITAN AREA--Nashville, TN
PARTICIPANTS BY SIZE OF FIRM
BILLABLE HOURS ANALYSIS

		Number of Firms	Percent of Firms
Size of Firm	21 to 40 Lawyers	2	25.0%
	76 to 150 Lawyers	2	25.0%
	Over 150 Lawyers	4	50.0%
Total		8	100.0%

METROPOLITAN AREA--Nashville, TN
PARTICIPANTS BY SIZE OF FIRM
COMPENSATION ANALYSIS

		Number of Firms	Percent of Firms
Size of Firm	21 to 40 Lawyers	2	25.0%
	76 to 150 Lawyers	2	25.0%
	Over 150 Lawyers	4	50.0%
Total		8	100.0%

THE SURVEY OF LAW FIRM ECONOMICS, 2005 EDITION

Executive Summary

Conducted by
ALTMAN WEIL®, INC.
CONSULTANTS TO THE LEGAL PROFESSION

Published by
ALTMAN WEIL® PUBLICATIONS, INC.
Two Campus Boulevard, Suite 200
Newtown Square, PA 19073
(888) 782-7297, toll free in the U.S.
(610) 886-2025

Visit our website: http://www.altmanweil.com
Shop our on-line store: https://store.altmanweil.com

Suite 200	Suite 202
Two Campus Boulevard	8555 W. Forest Home Avenue
Newtown Square, PA 19073	Milwaukee, WI 53228
610-886-2000	414-427-5400

Authorization to photocopy information contained in this survey for the internal or personal use of the purchaser, or the internal or personal use of specific individuals in the purchaser's organization, or for use in court proceedings and arbitrations, is granted by Altman Weil Publications, Inc., provided that the source and Altman Weil Publications, Inc., copyright is noted on the reproduction. Copying for purposes other than internal or personal reference or court/arbitration proceedings requires the express permission of Altman Weil Publications, Inc. For permission, contact Dan DiLucchio at Altman Weil Publications, Inc., Two Campus Boulevard, Suite 200, Newtown Square, PA 19073.

COPYRIGHT © 2005, ALTMAN WEIL® PUBLICATIONS, INC., NEWTOWN SQUARE, PA 19073

INTRODUCTION

The *Survey of Law Firm Economics, 2005 Edition* (based on 2004 data) is the most complete, accurate and up-to-date set of economic statistics and financial data available about the legal profession. This year's survey contains information from 18,478 lawyers including 7,516 associates, 9,704 partners/shareholders (equity and non-equity), 886 active counsels, and 372 staff lawyers working in 340 U.S. law firms. In its 33rd year, the survey remains an invaluable tool for managers of law firms.

Altman Weil, Inc. is committed to meeting the information needs of the legal profession and as such, invites you as a purchaser and/or participant to call or write us with your candid critique, suggestions and questions. The survey will continue to improve only through our ability to understand your evolving needs for information. If you know one of our consultants, please call with your thoughts and questions. If you do not, please call Dan DiLucchio at (610) 886-2000.

USE OF THE SURVEY

The survey is designed to provide the information necessary for law firm managers to evaluate their firm's performance relative to comparable law firms. The statistics included in the survey represent broad performance benchmarks against which an individual firm can be measured. Using this information, law firm management can compare their firm's performance and figures with those of the profession as a whole, as well as with firms of similar size, geographic location, population, practice specialty, etc.

This survey is particularly useful to firm management, administrators, strategic planners and office or department heads, who are able to efficiently develop comparative analyses of the various statistical data with their firm's data. Many are experienced in development of these analyses and in development of effective presentation charts and graphs. However, over the years we have encountered others who have found the analysis more difficult. Accordingly, we have developed a program that will prepare customized tabulation of your data against relative benchmarks.

Please contact Altman Weil Publications at (888) 782-7297, toll free in the U.S. or (610) 886-2025 if you wish to discuss development of comparative charts for your firm.

TERMS AND DEFINITIONS

In order to obtain maximum value from this survey, it is important to understand what the information means and how to best use it. Following are explanations of some of the data and definitions used in the report. We have also provided brief comments on the statistical terms used.

Billable Hours

For those persons who regularly report billable hours, hours recorded during the reporting year, which were chargeable to clients (i.e., billable work).

Billing Rates

Most commonly assigned (standard) hourly rate as of January 1, 2005.

Compensation

Salary/Draw

For Professional Corporations/Associations:
Salary-Federal taxable income amount shown on W-2 plus voluntary before-tax employee reductions for:

- 401(k) plans;
- Flexible spending accounts (FSAs);
- Other qualified flexible benefit programs.

For Partnerships/Proprietorships:
Draw-Periodic cash distributions including quarterly tax draws and guaranteed payments.

Bonus/Distribution in Cash

For Professional Corporations/Associations:
Bonus-Year end cash bonus paid during 2004.

For Partnerships/Proprietorships:
Distribution-Cash distribution to partners.

Cash Compensation

Salary plus Bonus.

Benefits/Distribution in Kind

For Professional Corporations/Associations:
Nontaxable benefit costs, which include: qualified profit sharing plans, life, health and disability insurance, medical reimbursement plans, employer payroll taxes (including FICA) and pension contributions. Excludes auto, parking, memberships and CLE expenses.

For Partnerships and Proprietorships:
Report distribution in kind (firm payments for benefits on behalf of the partners).

Total Compensation

Salary/Draw, Bonus/Distribution in Cash, plus Benefits/ Distribution in Kind.

Firm Specialization

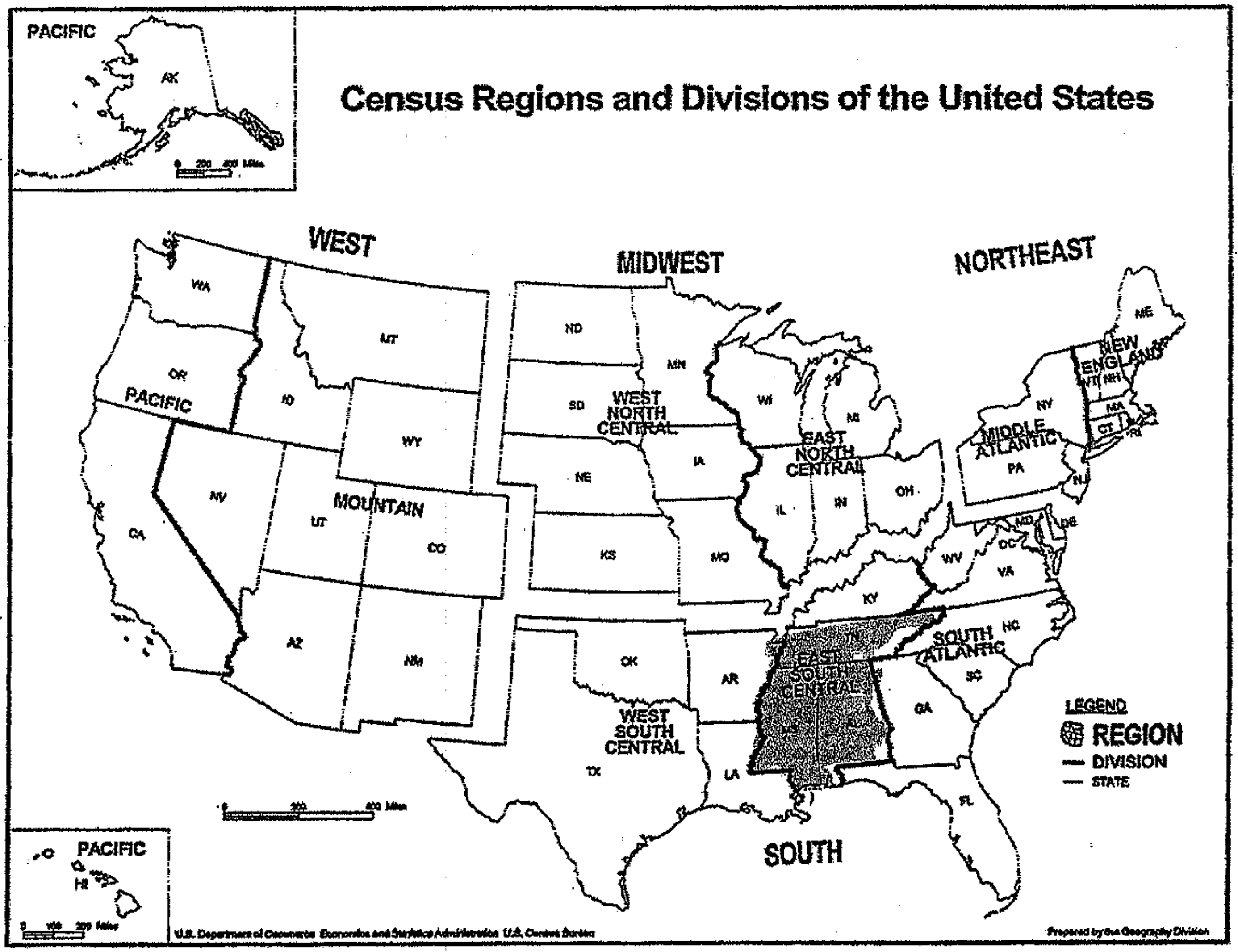
These specialized firms derived 50% or more of their gross receipts from one area of legal work. The survey instrument requests areas of specialization as follows:

- Commercial Litigation
- Corporate/Commercial Non-litigation
- Insurance Defense Litigation
- Intellectual Property
- Labor/Employment
- Plaintiff's Contingency Litigation
- Real Estate/Land Use
- General (no area responsible for 50% or more)
- Other

Geographic Divisions

Regions are determined using geographic divisions as defined by the U.S. Census Bureau. Puerto Rico and the Virgin Islands are included with "South Atlantic"; Hawaii and Alaska with "Pacific".

Census Regions and Divisions of the United States


PACIFIC
AK
WEST
MIDWEST
NORTHEAST
SOUTH
PACIFIC
MOUNTAIN
WEST NORTH CENTRAL
EAST NORTH CENTRAL
MIDDLE ATLANTIC
NEW ENGLAND
SOUTH ATLANTIC
EAST SOUTH CENTRAL
WEST SOUTH CENTRAL
WA
OR
CA
NV
ID
MT
WY
UT
CO
AZ
NM
ND
SD
NE
KS
MN
IA
MO
WI
MI
IL
IN
OH
OK
TX
AR
LA
KY
WV
VA
NC
SC
GA
FL
NY
PA
NJ
MD
DE
DC
ME
VT
NH
MA
CT
RI
HI
LEGEND
REGION
DIVISION
STATE
PACIFIC
U.S. Department of Commerce Economics and Statistics Administration U.S. Census Bureau
Prepared by the Geography Division

Multioffice Firms

Multioffice law firms are shown as a separate category within the financial section wherever information is segregated by firm size, region and size of municipality. Within the category of MULTIOFFICE law firms, each firm is treated as a single entity. **In addition**, each multiple office firm is treated as a separate unit within the reporting categories of size, location, and population in this section.

When reporting information in the remaining sections of the report, each individual fee earner is recategorized according to the region of employment. For example, a firm's main office is in Minneapolis, and the branch office is in Sarasota, Florida. The individual fee earner information is reported as South Atlantic.

Offices

The term OFFICES indicates the number of law firm offices reported within a category. Branch offices are counted as single offices.

Status

Partners/Shareholders/Associates

10 - Equity Partner/Shareholder/Proprietor

11 - Non-Equity Partner, Salaried Partner, Non-Participating Partner - Any individual who is held out to the public as a partner or principal, but is clearly in a separate class that is characterized as having lower capital contribution requirements, lesser voting rights and lesser economic risk or reward potential. May be classified as either a W-2 employee or K-1 partner for tax purposes.

20 - Associate Lawyer - A lawyer employed by the firm who is understood to be in a program leading to consideration for partnership or shareholder status, or who has been so considered.

21 - Staff Lawyer - A lawyer employed by a law firm who is hired with the understanding that the position will **not** lead to consideration for ownership status.

30 - Counsel - (of counsel) working actively; normally over 800 billable hours.

In analysis titled "*By Individual Status*", each status code is listed separately. This breakout is shown **only** at the national level. In the remaining analyses, the heading *Partner/Shareholder-Equity/Non-Equity* includes partners in partnerships, shareholders in professional corporations/ associations and sole proprietors. This would include equity *and* non-equity positions. The heading *Associate/Staff* includes associate *and* staff attorney positions defined earlier.

STATISTICAL TERMS USED

The statistical terms used in the survey are defined below and illustrated in the example.

Quartiles are used to define the middle 50% of the range. One quarter of the observations lies below the **first or lower quartile** (or 25th percentile). One quarter lies above the third **or upper quartile** (or 75th percentile). In some tables the **ninth decile** (or 90th percentile) is also shown; 10% of cases lie above this point.

The **median** (or 50th percentile) is the middle or central number in a series of numbers arranged in order of value. In the following example, the median is 50. There are equal numbers of smaller and larger observations.

The **average** (or mean) is the total value of all observations divided by the number of observations. This number may be distorted by a few outliers, as is the case in our example. The mean is useful in hourly rates and in billable hours, because few outliers are possible. It is not as good a measure for comparisons of earnings.

Example

Item No.	Amount
1	400 (Outlier)
2	90
3	80 – 75th percentile or upper quartile
4	70
5	60
6	50 – Median or 50th percentile
7	45
8	40
9	30 – 25th percentile or lower quartile
10	20
11	10

Average is 82
Middle range is 30 to 80

INFORMATION ABOUT THE DATA BASE

This study is undertaken annually. An invitation to participate was sent to a selected group of law firms. These are firms that have had prior contact with Altman Weil through its programs of consultation and seminars or have subscribed to our newsletter or other survey products. In addition, past participants and purchasers of this survey were invited to provide data. Invitations to participate were also sent to various members of the Association of Legal Administrators and other law firm management mailing lists.

Only U.S. law firms are included in this study. Sole practitioners are excluded from this report. Altman Weil publishes a separate report on small U.S. law firms entitled the *Small Law Firm Economic Survey, 2005 Edition*. This survey includes information furnished by sole practitioners through law firms with up to 15 lawyers.

Information was collected in several areas for each lawyer who worked at the participating law firm in 2004. Earnings and billable hours information is included only for individuals who worked full-time for all of 2004.

A total of 340 firms are included in this report. Usable information was provided for 18,478 lawyers, including 7,516 associates, 9,704 partners/shareholders (equity and non-equity), 886 active counsel and 372 staff lawyers.

To ensure more accurate information, no statistics are shown for any category that does not have information supplied by at least five offices and seven positions. Medians are only shown for 11 or more individuals. Quartile and ninth decile information is only shown for 17 or more individuals. Certain tables show only averages, even though sufficient data exists for additional statistical comparison. The number of offices and number of positions are indicated on the tables as appropriate.

In some instances, the sum total of percentage breakouts may not equal 100%, because numbers have been rounded to the nearest one-tenth of one percent.

DISTRIBUTION OF PARTICIPATING LAW FIRMS

Breakout of Data		Region: New England	Middle Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific	Total Firms
Population Size	Less than 250,000	5	1	17	2	3	2	13	3	5	51
	250,000 - 999,999	2	12	23	25	14	20	7	10	8	121
	1 Million or More	2	24	27	1	12	51	18	15	18	168
Size of Firm	Under 9 Lawyers	1	3	7	3	6	12	9	5	6	52
	9 to 20 Lawyers	2	6	18	5	7	14	10	4	11	77
	21 to 40 Lawyers	5	5	13	11	3	18	12	12	9	88
	41 to 75 Lawyers	1	10	15	5	7	13	5	5	3	64
	76 to 150 Lawyers	0	9	11	2	5	12	1	1	1	42
	Over 150 Lawyers	0	4	3	2	1	4	1	1	1	17
Practice Area	Commercial Litigation	0	0	4	2	4	3	1	0	1	15
	Corp./Comm. Non-litigation	0	0	3	1	0	6	1	0	0	11
	Insurance Defense Litigation	0	2	5	1	4	7	4	4	1	28
	Intellectual Property	0	0	2	0	0	1	1	2	2	8
	Labor/Employment	0	2	4	0	1	3	0	0	0	10
	Plaintiffs' Contingency Litigation	0	0	3	2	1	2	1	2	0	11
	Real Estate/Land Use	0	0	5	0	0	1	0	1	2	9
	General Law	8	32	34	20	15	47	26	19	19	220
	Other	1	1	7	2	4	3	4	0	6	28
Type of Firm	Sole Proprietorship	0	0	1	1	0	0	0	0	1	3
	Partnership	0	2	3	0	4	5	1	0	2	17
	Professional Corporation	4	17	37	3	10	25	19	21	16	152
	Professional Corporation w/"S"	0	0	4	0	3	7	1	2	0	17
	Limited Liability Company	2	4	5	19	3	14	10	1	5	63
	Limited Liability Partnership	3	14	17	5	9	22	7	4	7	88
Total Firms		9	37	67	28	29	73	38	28	31.	340

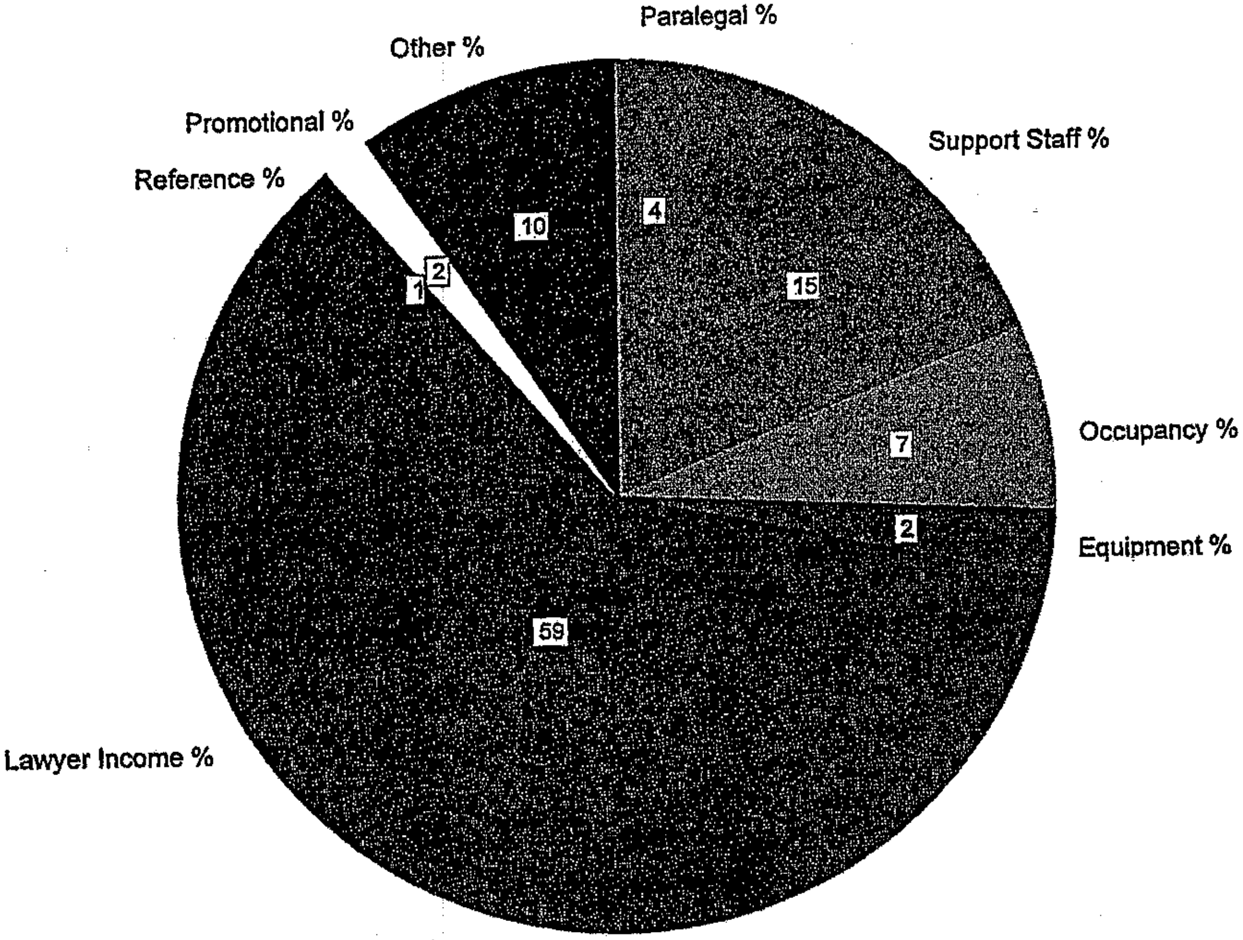
DISTRIBUTION OF LAWYERS BY OFFICE FOR PARTICIPATING LAW FIRMS

Breakout of Data		Region									Total Lawyers
		New England	Middle Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific	
Population Size	Less than 250,000	139	111	520	38	77	71	223	68	59	1,306
	250,000 - 999,999	83	669	969	1,227	569	872	282	381	196	5,248
	1 Million or More	107	2,396	2,068	167	708	3,282	705	641	964	11,038
Size of Firm	Under 9 Lawyers	9	20	33	17	34	60	32	25	31	261
	9 to 20 Lawyers	36	92	254	85	118	197	165	67	163	1,177
	21 to 40 Lawyers	174	158	391	337	75	599	337	427	259	2,757
	41 to 75 Lawyers	83	579	933	301	396	804	296	270	178	3,840
	76 to 150 Lawyers	1	1,139	1,191	267	507	1,151	92	97	179	4,624
	Over 150 Lawyers	26	1,188	755	425	224	1,414	288	204	409	4,933
Practice Area	Commercial Litigation	6	0	224	116	190	134	19	0	53	742
	Corp./Comm. Non-litigation	0	0	57	14	0	73	42	0	0	186
	Insurance Defense Litigation	0	127	310	31	181	623	180	180	58	1,690
	Intellectual Property	9	0	52	0	0	55	12	52	39	219
	Labor/Employment	0	28	237	36	53	88	11	0	9	462
	Plaintiffs' Contingency Litigation	0	0	22	20	0	78	2	9	0	131
	Real Estate/Land Use	0	0	224	0	0	3	0	6	29	262
	General Law	288	2,940	2,298	1,136	899	3,096	918	843	919	13,337
	Other	26	81	133	79	31	75	26	0	112	563
Type of Firm	Sole Proprietorship	0	0	89	3	0	0	0	0	5	97
	Partnership	0	74	129	0	149	120	5	0	127	604
	Professional Corporation	116	1,332	1,978	93	416	925	472	649	487	6,468
	Professional Corporation w/"S"	0	0	109	0	69	98	12	40	0	328
	Limited Liability Company	66	423	163	1,020	140	1,212	439	60	219	3,742
	Limited Liability Partnership	147	1,347	1,089	316	580	1,870	282	341	381	6,353
Total Lawyers		329	3,176	3,557	1,432	1,354	4,225	1,210	1,090	1,219	17,592

Does not include Of Counsel positions.

AVERAGE INCOME AND EXPENSES PER LAWYER

as a Percentage of Receipts

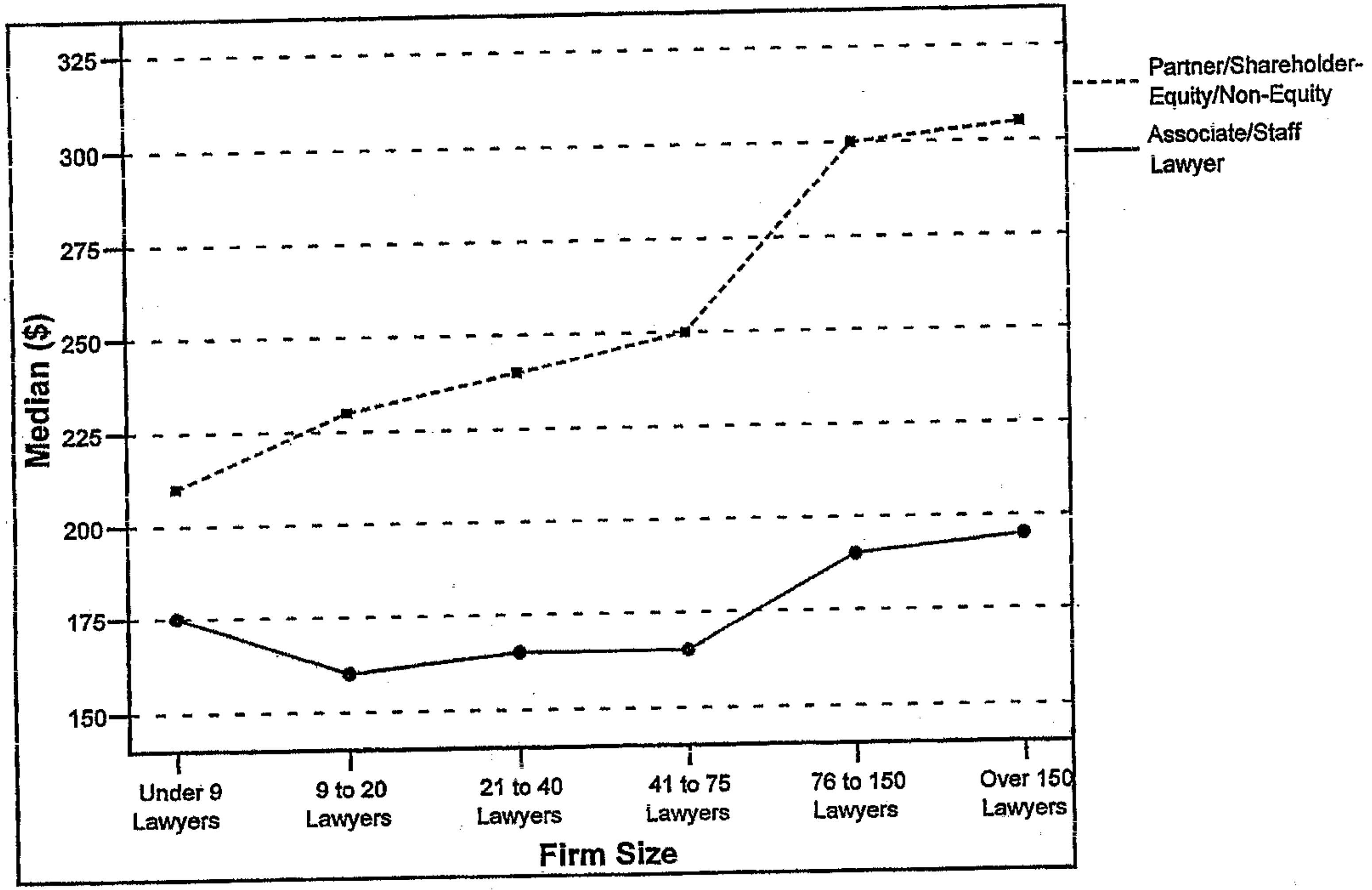

Paralegal %
Other %
Support Staff %
Promotional %
Reference %
4
10
2
1
15
Occupancy %
7
2
Equipment %
59
Lawyer Income %

GROSS RECEIPTS, EXPENSES AND INCOME
AVERAGE PER LAWYER

Breakout of Data		Firms	Average Gross Receipts $	Average Total Expense $	Average Total Expense %*	Average Firm Income $	Average Firm Income %*
Region	New England	9	307,616	137,399	44.7	170,217	55.3
	Middle Atlantic	37	424,503	176,620	41.6	247,883	58.4
	South Atlantic	64	405,396	159,598	39.4	245,798	60.6
	East South Central	27	369,775	143,154	38.7	226,621	61.3
	West South Central	28	363,693	144,038	39.6	219,655	60.4
	East North Central	72	380,233	153,135	40.3	227,098	59.7
	West North Central	37	279,448	112,605	40.3	166,843	59.7
	Mountain	28	361,248	155,572	43.1	205,676	56.9
	Pacific	31	379,955	179,022	47.1	200,932	52.9
Population Size	Less than 250,000	49	324,380	137,285	42.3	187,095	57.7
	250,000 - 999,999	119	352,646	136,609	38.7	216,037	61.3
	1 Million or More	165	401,302	166,539	41.5	234,763	58.5
Size of Firm	Under 9 Lawyers	49	317,256	137,594	43.4	179,662	56.6
	9 to 20 Lawyers	74	326,065	140,870	43.2	185,195	56.8
	21 to 40 Lawyers	87	341,313	136,900	40.1	204,412	59.9
	41 to 75 Lawyers	64	363,817	141,296	38.8	222,521	61.2
	76 to 150 Lawyers	42	400,369	160,203	40.0	240,165	60.0
	Over 150 Lawyers	17	415,462	176,287	42.4	239,175	57.6
Practice Area	Commercial Litigation	15	474,488	178,748	37.7	295,740	62.3
	Corp./Comm. Non-litigation	11	354,952	151,367	42.6	203,585	57.4
	Insurance Defense Litigation	28	313,926	137,122	43.7	176,804	56.3
	Intellectual Property	7	567,766	235,381	41.5	332,386	58.5
	Labor/Employment	10	412,095	155,236	37.7	256,859	62.3
	Plaintiffs' Contingency Litigation	8	475,574	202,463	42.6	273,112	57.4
	Real Estate/Land Use	9	436,246	160,145	36.7	276,101	63.3
	General Law	218	379,537	155,368	40.9	224,169	59.1
	Other	27	388,227	154,987	39.9	233,240	60.1
Multioffice		136	390,280	162,408	41.6	227,872	58.4
ALL FIRMS		333	382,169	155,952	40.8	226,217	59.2

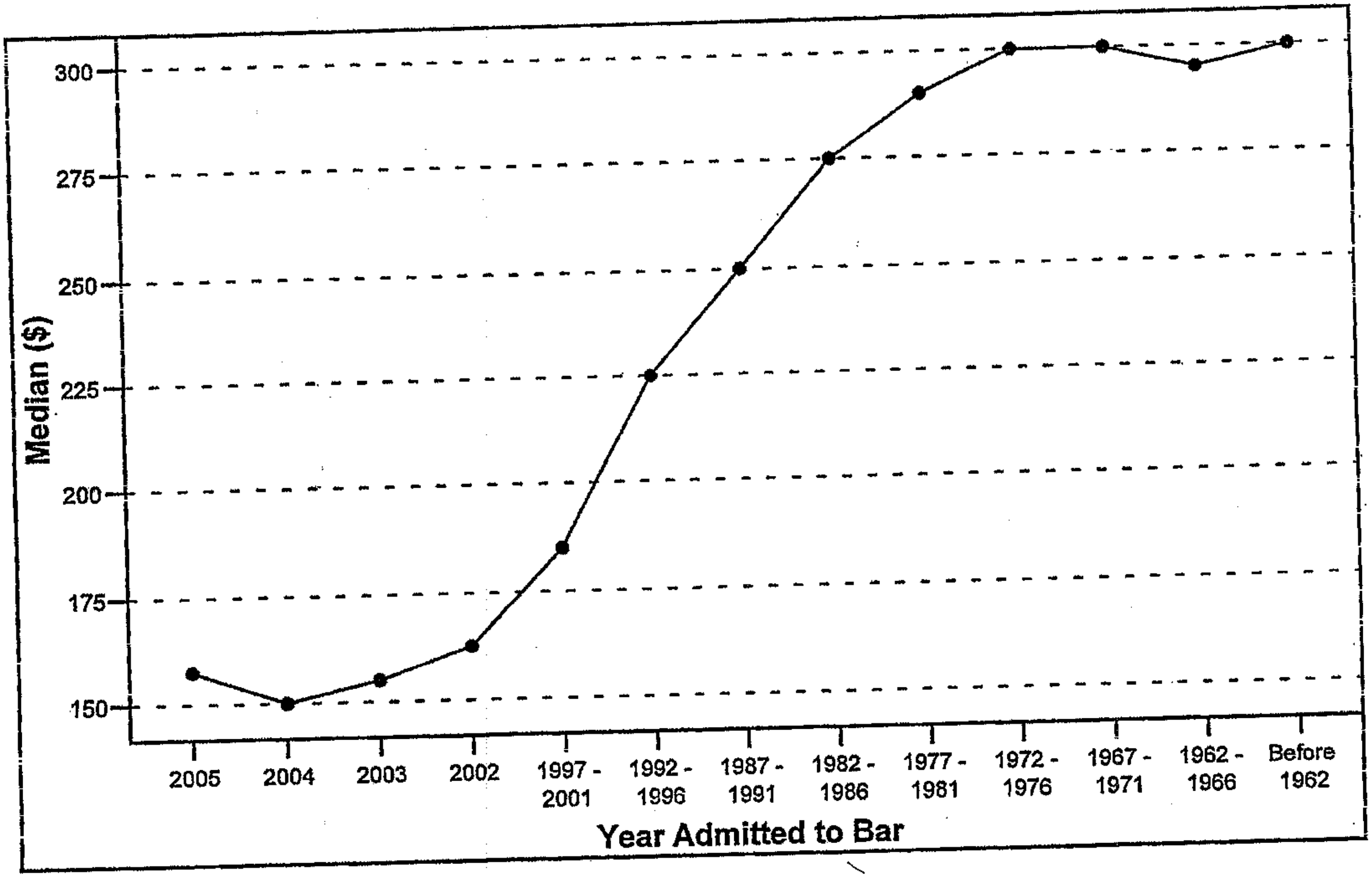
*Percent of Gross Receipts

MEDIAN STANDARD HOURLY RATE BY FIRM SIZE


Median ($)
325
300
275
250
225
200
175
150
Under 9 Lawyers
9 to 20 Lawyers
21 to 40 Lawyers
41 to 75 Lawyers
76 to 150 Lawyers
Over 150 Lawyers
Firm Size
Partner/Shareholder-Equity/Non-Equity
Associate/Staff Lawyer

MEDIAN STANDARD HOURLY RATE BY YEAR ADMITTED TO BAR

ALL LAWYERS

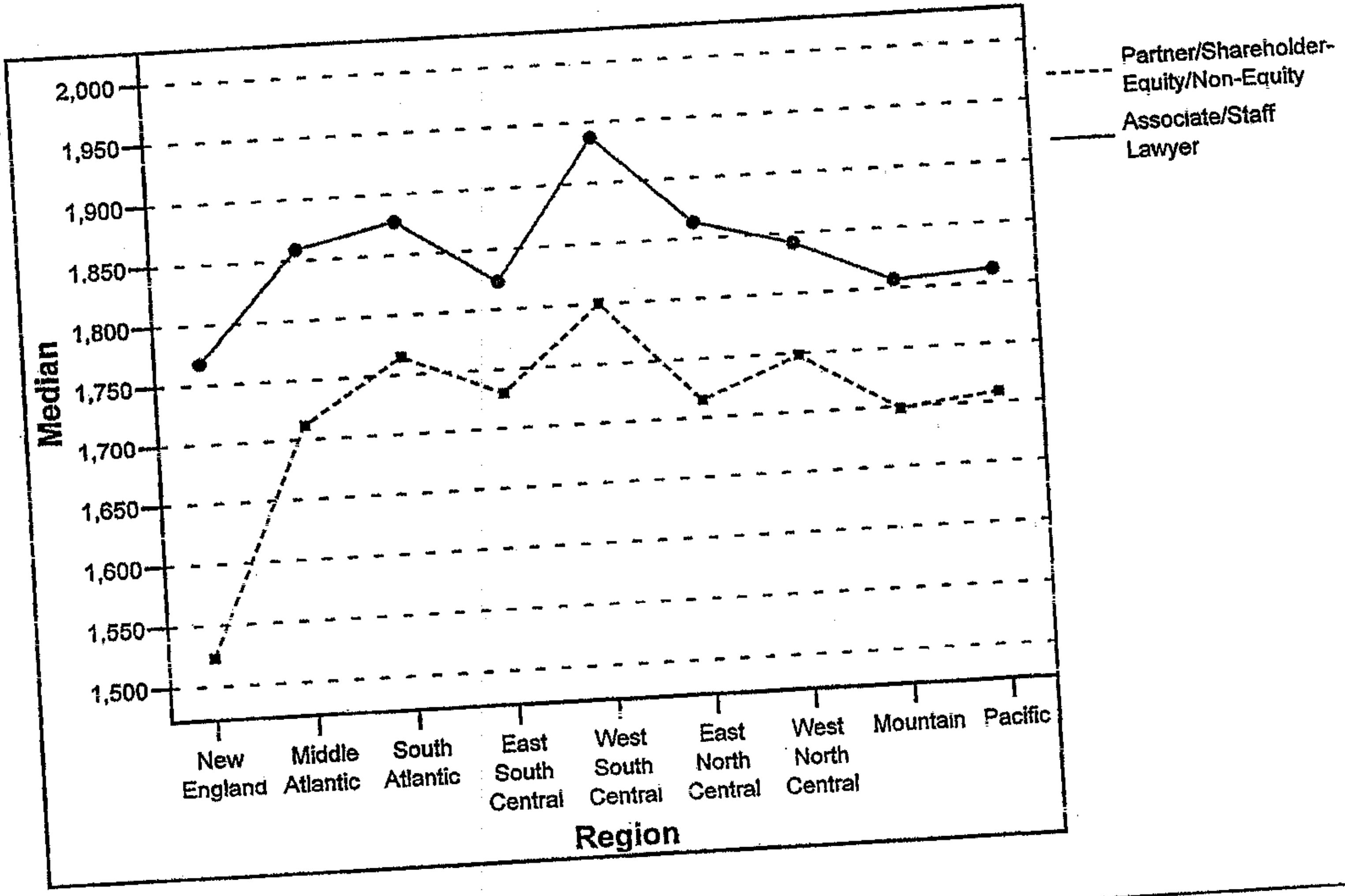


Median ($)
300
275
250
225
200
175
150
2005
2004
2003
2002
1997 - 2001
1992 - 1996
1987 - 1991
1982 - 1986
1977 - 1981
1972 - 1976
1967 - 1971
1962 - 1966
Before 1962
Year Admitted to Bar

NATIONAL INDIVIDUAL STATUS CODES
STANDARD HOURLY BILLING RATES
As of January 1, 2005

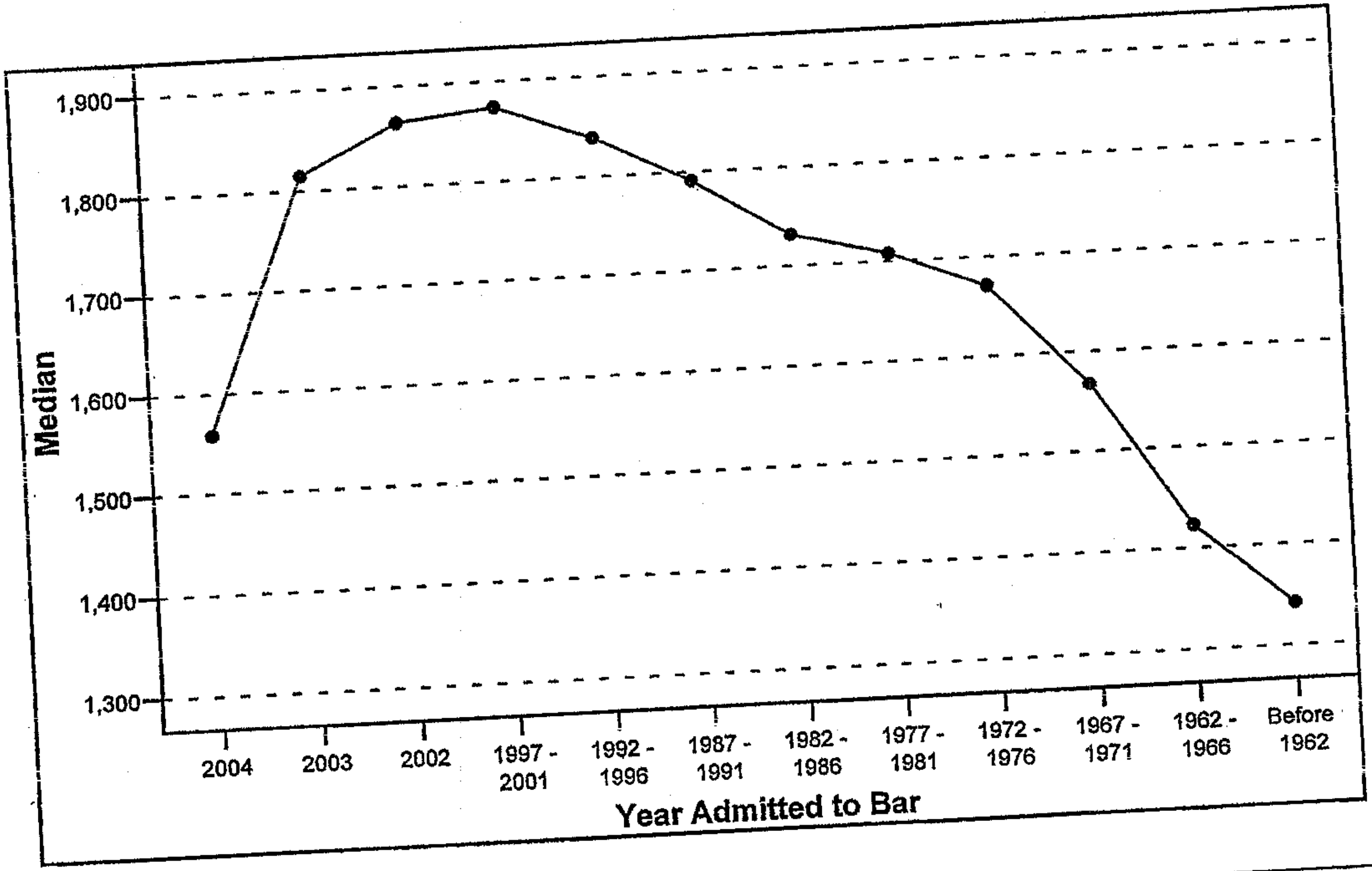
Status	Number of Offices	RATE					
		Number of Lawyers	Average $	Lower Quartile $	Median $	Upper Quartile $	Ninth Decile $
Equity Partner/Shareholder	590	7,071	286	225	275	330	395
Non-Equity Partner	361	1,826	261	210	250	300	355
Associate Lawyer	573	6,549	188	150	180	215	260
Staff Lawyer	101	336	195	160	190	225	265
Of Counsel	262	712	272	221	260	320	375

MEDIAN ANNUAL CLIENT (BILLABLE) HOURS WORKED BY REGION



Median
2,000
1,950
1,900
1,850
1,800
1,750
1,700
1,650
1,600
1,550
1,500
New England
Middle Atlantic
South Atlantic
East South Central
West South Central
East North Central
West North Central
Mountain
Pacific
Region
Partner/Shareholder-Equity/Non-Equity
Associate/Staff Lawyer

MEDIAN ANNUAL CLIENT (BILLABLE) HOURS WORKED BY YEAR ADMITTED TO BAR - ALL LAWYERS

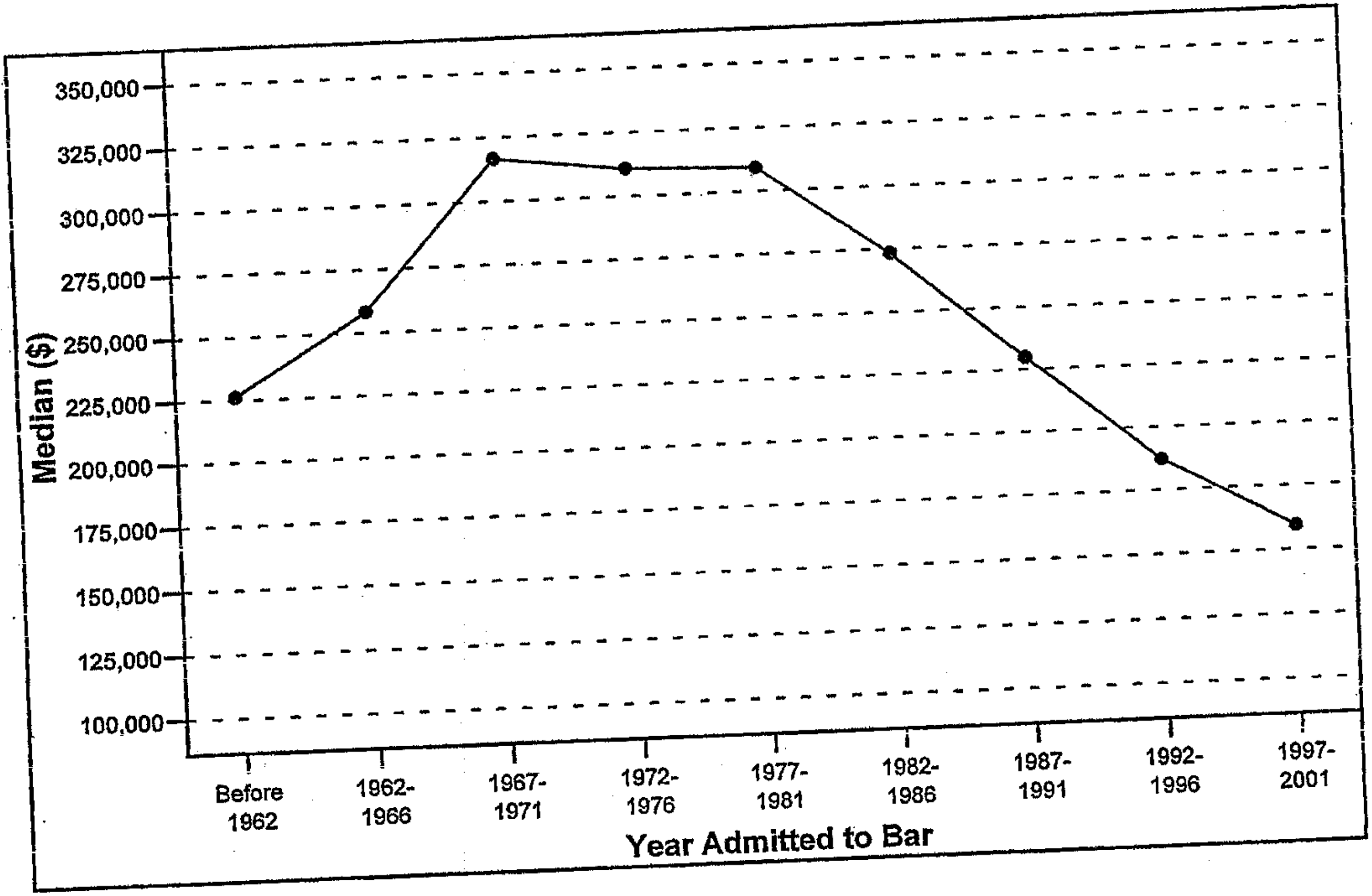


Median
1,900
1,800
1,700
1,600
1,500
1,400
1,300
2004
2003
2002
1997 - 2001
1992 - 1996
1987 - 1991
1982 - 1986
1977 - 1981
1972 - 1976
1967 - 1971
1962 - 1966
Before 1962
Year Admitted to Bar

NATIONAL INDIVIDUAL STATUS CODES
ANNUAL CLIENT (BILLABLE) HOURS WORKED

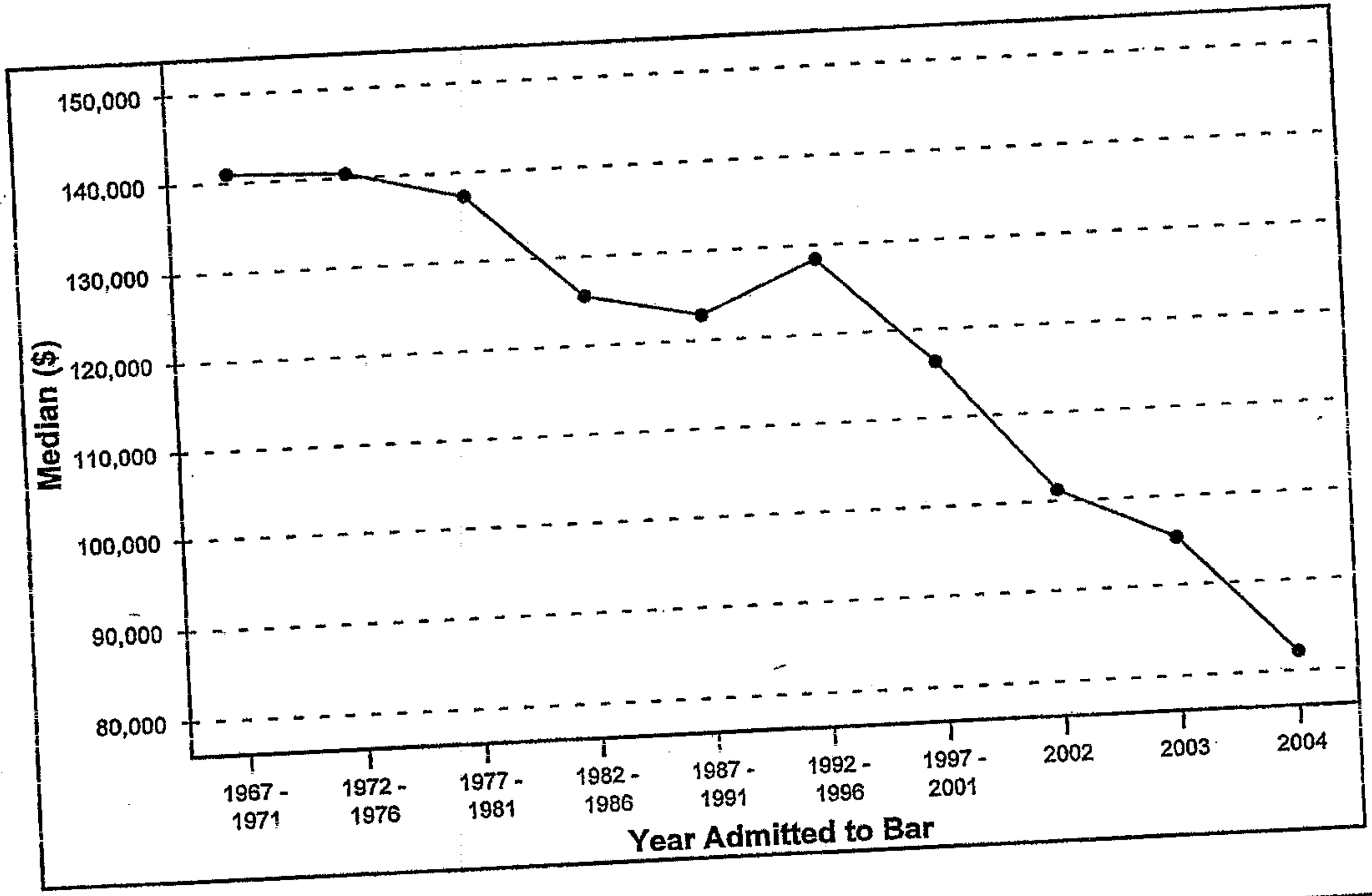
Status	Number of Offices	HOURS					
		Number of Lawyers	Average	Lower Quartile	Median	Upper Quartile	Ninth Decile
Equity Partner/Shareholder	551	6,128	1,732	1,483	1,720	1,954	2,206
Non-Equity Partner	316	1,317	1,736	1,508	1,763	1,979	2,173
Associate Lawyer	521	4,218	1,824	1,658	1,856	2,012	2,172
Staff Lawyer	69	174	1,684	1,427	1,727	1,916	2,045
Of Counsel	140	294	1,485	1,195	1,459	1,772	1,960

MEDIAN TOTAL COMPENSATION BY YEAR ADMITTED TO BAR FOR PARTNER/SHAREHOLDER



Median ($)
350,000
325,000
300,000
275,000
250,000
225,000
200,000
175,000
150,000
125,000
100,000
Before 1962
1962-1966
1967-1971
1972-1976
1977-1981
1982-1986
1987-1991
1992-1996
1997-2001
Year Admitted to Bar

MEDIAN TOTAL COMPENSATION BY YEAR ADMITTED TO BAR
ASSOCIATE/STAFF LAWYER

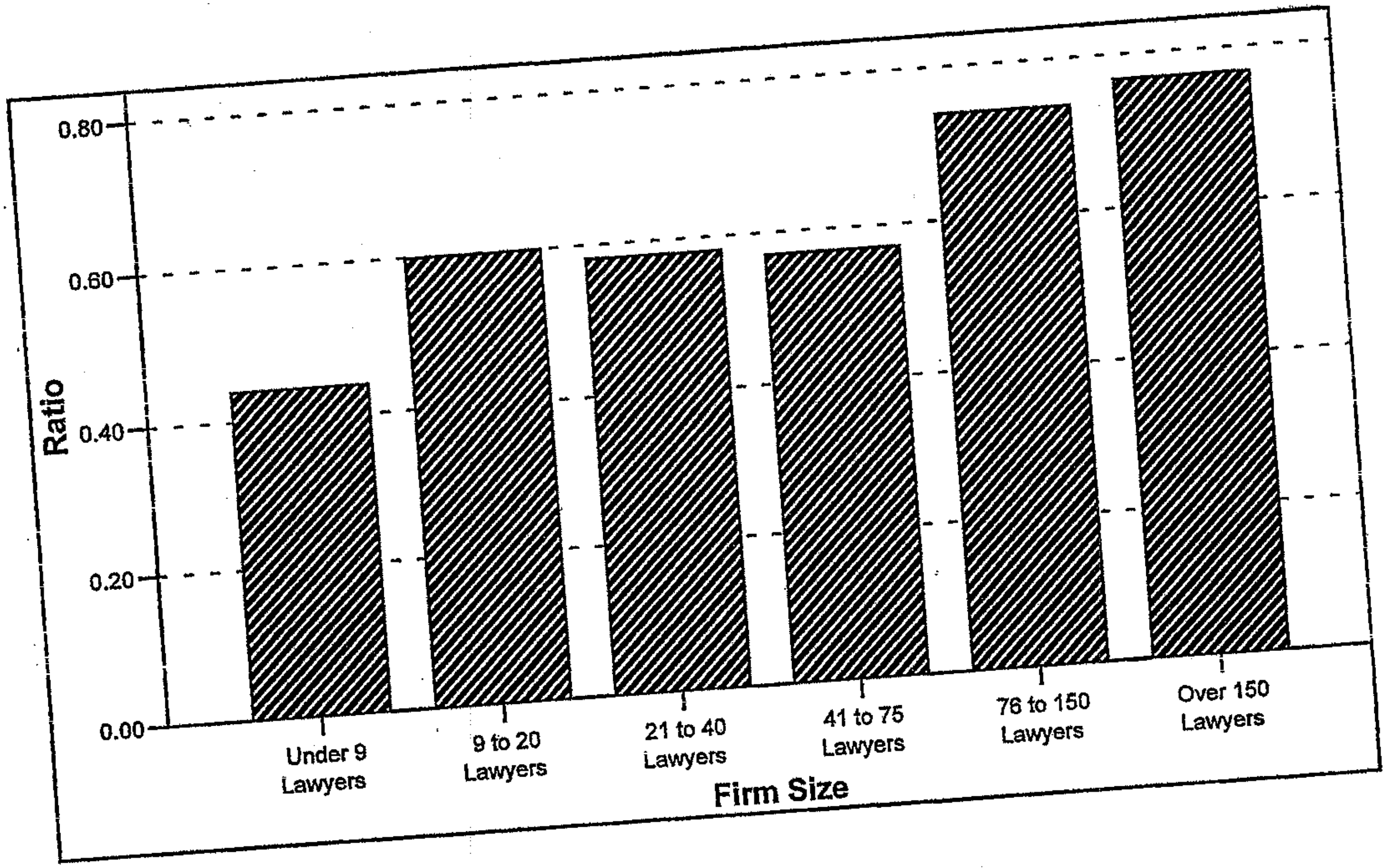


150,000
140,000
130,000
120,000
110,000
100,000
90,000
80,000
Median ($)
1967 - 1971
1972 - 1976
1977 - 1981
1982 - 1986
1987 - 1991
1992 - 1996
1997 - 2001
2002
2003
2004
Year Admitted to Bar

NATIONAL INDIVIDUAL STATUS CODES
TOTAL COMPENSATION

Status	Number of Offices	TOTAL COMPENSATION					
		Number of Lawyers	Average $	Lower Quartile $	Median $	Upper Quartile $	Ninth Decile $
Equity Partner/Shareholder	600	6,870	336,108	204,764	285,998	399,160	548,358
Non-Equity Partner	333	1,562	191,284	145,402	179,866	220,192	273,656
Associate Lawyer	503	4,029	121,252	97,282	114,630	138,036	166,523
Staff Lawyer	64	165	107,590	83,762	103,324	125,963	151,032
Of Counsel	162	395	163,739	120,000	150,698	196,939	247,249

AVERAGE PERSONNEL RATIOS BY FIRM SIZE
ASSOCIATES TO PARTNERS/SHAREHOLDERS



Ratio
0.80
0.60
0.40
0.20
0.00
Under 9 Lawyers
9 to 20 Lawyers
21 to 40 Lawyers
41 to 75 Lawyers
76 to 150 Lawyers
Over 150 Lawyers
Firm Size

RATIO OF PARALEGALS TO ALL LAWYERS

Breakout of Data		Average All Firms	Total Firms
Population Size	Less than 250,000	.34	51
	250,000 - 999,999	.28	121
	1 Million or More	.25	168
Size of Firm	Under 9 Lawyers	.32	52
	9 to 20 Lawyers	.31	77
	21 to 40 Lawyers	.26	88
	41 to 75 Lawyers	.26	64
	76 to 150 Lawyers	.29	42
	Over 150 Lawyers	.24	17
Practice Area	Commercial Litigation	.30	15
	Corp./Comm. Non-litigation	.27	11
	Insurance Defense Litigation	.28	28
	Intellectual Property	.28	8
	Labor/Employment	.19	10
	Plaintiffs' Contingency Litigation	.49	11
	Real Estate/Land Use	.38	9
	General Law	.26	220
	Other	.30	28
ALL FIRMS		.27	340